

An Overview of Wells County's 2008 Annual Trending October 1, 2008

The following steps were taken to conduct the 2008 annual trending in Wells County:

Step 1: Re-Delineation of Neighborhoods

The vast majority of neighborhoods in Wells County were completely re-examined and, where necessary, re-delineated for annual trending in 2006. This included the creation of new neighborhoods and the combination of neighborhoods as well. This portion of trending included all property classes. Some new neighborhoods were established for new construction and/or to establish more accurate assessments.

Step 2: Calculation of New Land Values

New land values were calculated for 2008. For residential property, both the land value update and market factor adjustment were the primary means of updating residential property values. For commercial and industrial properties, land values generally stayed consistent between January 1, 2006 and January 1, 2008. Some market areas or some use types warranted influence factors; these factors were reviewed and adjusted accordingly.

Step 3: Calculation of New Residential Factors & Residential Studies

Per 50 IAC 14, a preliminary ratio study was conducted for vacant and improved residential at the township level. This study dictated which property classes required further analysis, stratification, reassessment or calculation of a new neighborhood factor. In some instances, especially in rural areas of Wells County, the preliminary ratio study indicated that assessments were both accurate and uniform. In other neighborhoods, further review was required. This resulted in the calculation of new neighborhood factors. The county calculated new factors based on stratified data within each neighborhood. The stratification was based on house type, and the result was that neighborhoods may experience multiple factors if different house types can be found within those neighborhoods.

Step 4: Updated Commercial & Industrial Improvement Values

New commercial and industrial cost table updates were the starting point for updating commercial and industrial improvement values for 2007 pay 2008 trending. The Nexus Group Construction Cost Index (NCCIsm) was used to update these cost tables. In addition to the small percentage changes across all use and wall types, some uses were re-examined as a whole (ex. golf courses, landfills, mobile home parks, etc.) often resulting in sizeable percentage changes. These detailed construction cost models have been constructed by Nexus Group and applied uniformly by property class based on specific usage, wall type and other characteristics. For trending 2008 pay 2009, the county only changed the year of depreciation from 2007 to 2008.

In addition to updating the cost tables, sales, income, and appraisal data was used to update commercial and industrial improvement values. In cases where these methods produced widely divergent values, the most appropriate valuation method was used for the specific property class. When comparable non-sold properties were identified and values from sales and/or income justified changes, the non-sold property was likewise adjusted. Income data collected from the field and through the appeals process was also used by property class or for specific, unique properties. In some specified cases where little or no comparable property existed within the township or county,

this comparison process extended beyond the county borders so as to identify the most appropriate comparisons and valuations.